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Thailand

Grain and Feed

Weekly Rice Price Update

2008

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Report Highlights:

Despite downward pressure on domestic prices, export prices for most grades of rice increased slightly from the previous week due to a stronger Thai baht. Meanwhile, official flooding damage estimates in the northern and central areas remain marginal. However, some exporters are currently raising prices for white rice due to the heavy flooding in the northern rice growing area of Thailand. Meanwhile, the Government continues to absorb paddy under its aggressive intervention program where stocks are expected to reach 5.1 million tons by the end of this month.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Bangkok [TH1]
[TH]

Indicative Prices (Week Ending Sep. 22):

Thailand: Export (FOB) Prices for various grades of rice (USD/M.T.)									
	Exporter Observations							Period Avg.	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	830	-	-	-	850	810	-	830	817
WR 100 B	700	-	730	700	710	715	720	713	706
PB 5%	-	-	750	-	730	715	720	729	724
WR 5%	680	-	720	680	690	695	700	694	688
WR 10%	-	-	-	-	-	-	-	-	-
WR 15%	-	-	-	-	-	-	-	-	-
WR 25%	-	-	-	-	-	655	-	655	675
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	405	-	-	-	410	435	420	418	423
A 1 SPEC	-	-	-	-	-	-	-	-	-
Source: Average actual prices received from exporters, Exchange rate: 33.5 baht/U.S.\$									

Market Tone

Despite downward pressure on domestic prices, export prices for most grades of rice increased slightly from the previous week due to the strengthening Thai baht. The Thai baht strengthened to 33.5 baht/\$, compared to 34.3 baht/\$ in the previous week. Meanwhile, parboiled rice prices also increased slightly despite low seasonal demand during Ramadan. Shipments of parboiled rice to African countries, particularly to Nigeria, have reportedly slowed as most outstanding contracts have been fulfilled. However, some exporters are currently raising prices for white rice due to heavy flooding in some of the northern and central rice growing areas. The affected area reportedly covers 1.1 million rai (0.2 million hectares). However, on September 22, the Office of Agricultural Economics estimated the damaged areas only accounts for around 10 percent of the total the affected flooded area, or 141,143 rai (22,583 hectare), as water receded quickly in many areas. Meanwhile, heavy rain in the northeast has benefited fragrant rice production which will be harvested in the next few months.

Thus far, the current 2007/08 second-crop intervention program has absorbed approximately 4.0 million tons of paddy valued at 43 billion baht (\$1.3 billion). The Government will likely reach the target of 4.5 million tons of paddy by the end of the program on September 30, and outstanding intervention stocks should climb to 5.1 million tons of rice. However, the Government is expected to release a large portion of stocks for export next month but the details have yet to materialize.

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	%
JUL 20	178,180	182,513	5,021	2,877	74.5
Jul 27	182,769	175,180	5,204	2,980	74.6
Aug 3	101,488	158,534	5,305	3,062	73.3
Aug 10	122,027	146,116	5,427	3,165	71.4
Aug 17	125,268	132,888	5,553	3,254	70.6
Aug 24	155,649	126,108	5,708	3,355	70.2
Aug 31	154,550	139,373	5,863	3,442	70.4
Sep 7	131,622	141,772	5,995	3,573	67.7
Sep 14	129,898	142,930	6,124	3,717	65.0
Sep 21	125,818	135,472	6,250	3,866	61.7

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Unofficial exports (excluding fragrant rice) for Sep. 15-21, 2008 totaled 125,818 down 4,080 the previous week, and down 9,654 from the four-week moving average of 135,472 tons. Exports during Jan. 1 – Sep. 21, 2008 totaled 6,250,232 tons, as compared with 3,865,992 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Sep. 19, 2008, amounted to 8,104,404 tons, up 39.22 percent from 5,821,252 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Sep. 1-5, Sep. 8-12, and Sep. 15-19, 2008 are as follows:

Movement (MT)	Sep. 1-5	Sep. 8-12	Sep. 15-19
Weekly sales	35,572	104,613	144,381
4 week sum	35,572	-	-
4 week mov. avg.	-	-	-
Total weekly sales	5,438,776	5,543,389	5,687,770

End of Report.